

## **Health Insurance Flexibility and Accountability (HIFA) Initiative Fact Sheet**

**State:** Michigan  
**Name of Proposed Program:** Adult Benefits Waiver  
**Date Received:** April 4, 2003  
**Date Approved:** January 16, 2004  
**Projected Implementation:** January 16, 2004

### **SUMMARY**

The State expanded health insurance coverage to childless adults with incomes at or below 35 percent of the Federal poverty level (FPL) by utilizing unspent SCHIP funds.

### **EXISTING MEDICAID/SCHIP PROGRAM**

The Michigan Medicaid program covers TANF and SSI populations, parents and caretaker relatives, pregnant women and infants up to age 1 in families with incomes at or below 185 percent FPL, and children ages 1-18 with incomes up to 150 percent FPL. Michigan also operates a 1915(b) waiver, Comprehensive Health Plan, which is a mandatory managed care program that is structured as a managed care organization. The separate child health program, MICHild, covers unborn children in families with incomes up to and including 185 percent of the FPL and children under age 19 in families with incomes up to 200 percent FPL.

### **HIFA PROPOSAL DETAILS**

#### **Number of individuals to be covered:**

62,000

#### **New population included in proposal:**

Uninsured childless adults

#### **Income limit for new eligibles:**

At or below 35% of FPL

#### **Funding source for demonstration:**

Unspent SCHIP funds

#### **Will the program be capped? If yes, provide details.**

Benefits, eligibility criteria and cost sharing will be reviewed at least annually to ensure costs remain within the state's federal Title XXI funds and the annual state appropriation for the program.

**Benefit package:**

For childless adults, the benefit package includes inpatient, outpatient, physician's surgical and medical services, laboratory and x-ray services, pharmacy and mental health and substance abuse. (Michigan will retain the benefits package specified in the Medicaid and SCHIP State Plans for all children.)

**Cost sharing:**

Copayments are imposed for some services and prescription drugs.

**Delivery system:**

The HIFA demonstration utilizes the Medicaid provider network and county health plans.

**Coordination with private insurance:**

Michigan offers employer-sponsored health insurance through a voucher that is equal in value to the state's cost of providing service. Enrollment in the employer-sponsored plan is in lieu of receiving benefits through the state plan. Once enrolled in the voucher program, the beneficiary receives a monthly check for the amount of the employee share of the coverage obtained or the cost of placing the eligible beneficiaries in a state offered health plan, whichever is less.

**Methodology for tracking rate of uninsured:**

The Current Population Survey (CPS)

**Rates of uninsurance:**

Of the uninsured adults 18 through 64 years-of-age with incomes at or below 200 percent FPL, 30.3% are uninsured.

**State's goal for reducing the rate of uninsurance:**

Michigan's goals are to expand enrollment to 62,000 childless adults.

**Estimated five-year cost of expansion (federal funds, including administration):**

Total cost of the expansion is \$593,325,739 over the five federal fiscal year (FFY) period.

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